

# the MWPAAC REPORT

Metropolitan Water Pollution Abatement Advisory Committee  MEMBER PACKET

May 2008

## MEMBERS:

*Alderwood Water and Wastewater District*  
*City of Algona*  
*City of Auburn*  
*City of Bellevue*  
*City of Black Diamond*  
*City of Bothell*  
*City of Brier*  
*City of Carnation*  
*Cedar River Water and Sewer District*  
*Coal Creek Utility District*  
*Cross Valley Water District*  
*Highlands Sewer District*  
*City of Issaquah*  
*City of Kent*  
*City of Kirkland*  
*City of Lake Forest Park*  
*Lakehaven Utility District*  
*City of Mercer Island*  
*Midway Sewer District*  
*Northeast Sammamish Sewer District*  
*Northshore Utility District*  
*Olympic View Water & Sewer District*  
*City of Pacific*  
*City of Redmond*  
*City of Renton*  
*Ronald Wastewater District*  
*Sammamish Plateau Water and Sewer District*  
*City of Seattle*  
*Skyway Water and Sewer District*  
*Soos Creek Water & Sewer District*  
*Southwest Suburban Sewer District*  
*City of Tukwila*  
*Val Vue Sewer District*  
*Vashon Sewer District*  
*Woodinville Water District*

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## NOTICE OF MEETING

The MWPAAC Meeting is scheduled for Wednesday, May 28, 2008, in Building H, Room 103 at Renton Technical College located at 3005 NE 4th Street, Renton, Washington. Renton Technical College is located near I-405. Take Exit 4 and the campus is located between NE 3rd Street and NE 4th Street at Monroe Avenue NE. The meeting is from 10:30 a.m. – 1:00 p.m.

All MWPAAC members are encouraged to attend the meeting. Lunch will be served promptly at 11:30 a.m. Luncheon is Chicken Marsala and the alternative dish is Vegetarian Pasta Puttanesca. There will be no cost for representatives, alternates or guests. Please RSVP to Valerie Garza at 206-263-6070 or [valerie.garza@kingcounty.gov](mailto:valerie.garza@kingcounty.gov) by 5/27/08.

### AGENDA FOR MAY 28, 2008

#### 10:30 AM – 1:00 PM MWPAAC Meeting

1. Chair's Report Scott Thomasson
  - b. Approval of Minutes MWPAAC Chair
  - c. Introduction of Coordinator /Facilitator
2. WTD Director's Report Christie True  
WTD Division Director
3. Update on Pharmaceutical Waste Management Dave Galvin  
WLRDStaff
4. WTD's Reclaimed Water Feasibility Study -- Facilitated Discussion  
Determine if response is needed, and if so, develop response.
5. MWPAAC Charter - Action on proposed revision Executive Board
6. Adoption of Revised MWPAAC By-Laws Scott Thomasson  
MWPAAC Chair
7. Subcommittee Reports by Subcommittee Chairs

**NEXT MEETING: JUNE 25, 2008**

**Members, Alternatives  
& Guests Present:**

Mark Cassell  
Dave Christensen  
Gary Cline  
Don Davidson  
Bob Elwell  
Wes Jorgenson  
Gary Hajek  
Vicky Henderson  
Ken Howe  
Erin Leonhart  
Arne Lind  
Sheldon Lynne  
Steve Moye  
Joyce Nichols  
Steve Ohlenkamp  
Bill Pelozo  
Randy Reece  
Trish Rhay  
Ron Sheadel  
Mary Shustov  
Ron Speer  
Laura Szentes  
Scott Thomasson  
Darcia Thurman  
Bill Tracy  
Art Wadekamper  
Margaret Wiggins

**King County Staff:**

Tim Aratani  
Bob Hirsch  
Tom Lienesch  
Lorraine Patterson  
Christie True  
Dave White

## APRIL'S MEETING MINUTES

### Chair's Report – Scott Thomasson

The meeting was called to order and introductions were made. The committee didn't have a quorum and the minutes of April 23, 2008, meeting were tabled till next month. It was announced that Northeast Sammamish Sewer and Water District Commissioner Jim Brazil is resigning his post

### WTD Director's Report – Christie True

Christie announced that the Carnation Treatment Plant will begin operation in May; there will be a ribbon-cutting ceremony on June 5. The sewer rate proposal for 2009 will be transmitted this week. Christie thanked the committee for their efforts on the rate and capacity charge proposal. Executive Sims received the letter that MWPAAC sent with recommendations regarding the sewer rate proposal. Christie spoke about what he considered and took into account. Executive Sims agreed with the MWPAAC recommendation for a one-year rate, given the volatility of the market. In capital financing, he opted instead for capitalized interest, providing some rate relief, and avoiding a penalty for the ratepayers. This is something that falls in between. MWPAAC recommended an increase in short-term borrowing; the Executive agrees with that. MWPAAC also asked that he revisit the Culver Policy. He sent a report to the Council seeking a compromise, that it be capped at \$1.4M. He feels it's in the Council's hands. We proposed a \$1.8M cut to the water quality monitoring program as part of the rate proposal. The Water and Land Division is forecasting a number of layoffs and reductions in their budget. The other thing that MWPAAC had included in their recommendation was that new connections be required to pay up front. We have that as an agenda item in the legislature. We also said to reopen contract negotiations with the Executive. It is largely going to be driven by what the agency wants. We are not going to force people to engage in collective contract negotiations. We did look at the capital program and temporary improvements to facilities. We carefully reviewed long-term rate impacts, and we're really looking at smoothing out rate

increases. We're trying to foreshadow, that has been a big part of the rate development.

A suggestion was made that a report be prepared that could be passed out to members.

A comment was made that the Seattle Post Intelligencer article on the proposed sewer rate incorrectly states financing is over 30 years; it should have been 40 years.

### Status Report on the Puget Sound Partnership - Dave White

Dave explained the purpose of the Puget Sound Partnership; it has the goal of restoring Puget Sound and creates a roadmap for how to get it done. The key difference from previous efforts is that agencies will be held accountable. Agencies must complete the work in order to procure state funding. The Leadership Council is made up of seven members who make decisions on behalf of the Puget Sound Partnership. The Ecosystem Coordination Board provides advice on education and implementation, and Ron Sims has been made the

Continued  
from Pg. 2

Chair of the Board. This first year they are working on the action agenda, develop a roadmap for what needs to be done and will build on prior work to prioritize projects and coordinate resources. Topic forums are efforts relating to their ecosystem goals: water quality; human health, species/food web; habitat; water quantity. The process will synthesize understanding; identify strategies for a healthy Puget Sound; and enumerate actions that need to be taken. Discussion papers will be prepared by invited experts and consultants. The papers will answer specific questions: what policy approaches are currently used; what work needs to be done; and how do we know? A website has been set up to solicit and provide comments to the Partnership. The focus of the partnership is on what needs to be done, not on implementation, funding questions, or feasibility. Next is to develop a funding strategy to determine what actions are cost-effective and what funding is available at the state level. Consultants have been hired to help identify strategies. The Partnership has also emphasized the use of sound science, and a science plan will be developed. The overall timeframe has not been established, but a deadline of December 1st has been set. The topic forum covers habitat and land-use funding and a variety of other issues, including water quality. The forum will focus on wastewater recommendations, increased nutrient control, and tertiary treatment requirements. The Puget Sound Partnership has been divided into four quadrants, and the Action Area Liaison for South Central Puget Sound is John Taylor. Public workshops are planned for the future. Dave's key observations: the planning process has been rushed; there is a need to prioritize actions and ensure cost-effective allocation of resources and adequate considerations for the implementation of feasibility; and, lastly, what are the implications for wastewater?

In response to a question, Dave answered that the Puget Sound Partnership is its own agency with a budget of \$12 million.

A comment was raised that the problem hasn't been identified and that wastewater is an easy target to blame. Dave answered that the science isn't there to identify what contributions wastewater makes to the Sound or what the relevant cost and impact of those nutrients are.

A concern was raised that a policy group may say their policies are based on science when it's all hypothetical. Dave answered that questions need to be asked, as there's a lot of uncertainty.

A question was asked about the County's shift toward environmental causes. Christie answered that the Executive and the Council are supportive of the Puget Sound Partnership.

#### **Proposed 2009 Sewer Rate and Capacity Charge- Tim Aratani**

Tim gave a brief update on the proposed sewer rate for 2009. He started by thanking the MWPAAC Finance Committee for the work they've done. The 2009 rate proposal is \$30.20; it's a one-year proposal. The capacity charge is \$47.64, and the funds help finance the capital program. The capitalized interest debt service is structured through mid-2011. Factors impacting rates since the 2008 adopted rate are: interest earnings were reduced to 2.8%; borrowing rates increased during WTD's heaviest borrowing period; inability to obtain a bond surety; additional money was borrowed and put in reserve; operating and capital expenditures have been lowered. Borrowing is 2 1/2%; projects have been deferred or delayed. The timing of the sediment management plan has been reduced; and the budget for the I/I program has been reduced by \$5M.

Continued In response to a question, Tim answered that the rate ability revenue is a certain amount of  
from Pg. 3 revenue carried over.

In reply to a question raised, Tim answered that the I/I program reduction would not lead to cuts in the CSI budget. The accomplishment rate is set for Brightwater at 95% and 85% for non-Brightwater. A combination of tactics is being employed to ensure the timing of the planned capital expenditures. The \$26 million re-claimed water project is on budget.

RCE growth is projected to be slow, and the proposal is for \$47.64, over 15 years the total would be \$8575K. The plan is updated every three years; the RCE projection is for a 3% increase.

A question was asked whether mortgages include the capacity charge fees. Tim answered that they are working with real estate and escrow companies, to give potential homeowners the opportunity to finance the fees into their mortgages. WTD has been attending the quarterly realtors' association meetings to inform realtors of the capacity charge fees.

Tim mentioned that the county would prepare a short presentation to the Suburban Cities Association to reduce any confusion or misunderstanding over the rate proposal.

The debt proposal entails the use of capitalized interest, with an anticipated borrowing of \$900M; 25% in 2008 and 45% in 2009. With the use of capitalized interest, a good portion of payments would be deferred. The Brightwater completion date is 2011; we would borrow the additional amount of money when Brightwater is completed in 2011. The proposal costs \$2.7M – this is something that the financial advisors strongly recommended. I would like to add: downgraded by bonding agencies, any insuring of bonds, our point is that, this is a process and approach, to keep those rates as level as possible. It's very important that when we discussed this with our financial advisors we need to consider 2009-2013.

Rate projections are on track, and in-line with the RWSP estimate of \$30.20. Several questions referred to the figures in the chart. Please refer to the PowerPoint presentation for the charts.

Tim and the Finance staff were thanked for their efforts to keep the MWPAAC Finance subcommittee informed on the sewer rates.

A comment was made that SCA informally recommends the proposal.

A concern was raised about the rate increases.

Members expressed understanding and support of the rates. There was also a request to the additional cost for stabilizing the rates.

There was an additional comment thanking the County for their effort.

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Continued **Discussion on Bylaws**

from Pg. 4 There was a discussion by members on the MWPAAC Bylaws. It was decided by the committee that email voting would be difficult to administer, so it will not be included in the Bylaws. There were minor edits, mainly punctuation and spellings that needed to be made to the Bylaws. It was decided at the next meeting, the committee would vote.

**Engineering and Planning Subcommittee Report**

Wes Jorgenson, Chair of E&P went over in detail recommendations made by the committee about the direction of the I/I program. The committee directed the County to provide funds (\$60-70K) to the City of Renton to enable them to make corrective actions in their jurisdiction; there would be no additional investigation of the basin to identify or correct other I/I sources. The City of Renton would serve as the project management. The County would continue to provide flow monitoring during subsequent wet seasons to the City of Renton. The Skyway project would continue to be evaluated; additional 10% of smoke testing and CCTV would be performed in BLSOO2 to assess the condition of the manholes, laterals and side sewers. It was also decided to eliminate Basin 14 in the Bellevue project area due to the high number of difficult access properties and cost that would be associated with the project. Efforts would continue with the Issaquah project. The committee would provide the county with additional project direction in the fall.